

## Net Assets

Certain unrestricted net assets have been designated for specific purposes by the board of directors. At June 30, 2011 and 2010, unrestricted net assets designated for specific purposes consisted of the following:

|  | <b>2011</b>          | <b>2010</b>          |
|--|----------------------|----------------------|
| Property, plant, and equipment         | \$ 13,219,898        | \$ 11,498,385        |
| Future economic development investment | 8,520,581            | 5,999,592            |
| Stocks and equity investments          | 584,639              | 716,814              |
| Program commitments                    | 6,240,000            | 6,173,470            |
| Other                                  | 4,000,000            | 4,000,000            |
|  | <u>\$ 32,565,118</u> | <u>\$ 28,388,261</u> |

Temporarily restricted net assets are available for the following purposes at June 30, 2011 and 2010:

|                                    | <b>2011</b>       | <b>2010</b>       |
|------------------------------------|-------------------|-------------------|
| Statewide and economic development | \$ 373,173        | \$ 184,055        |
| Intellectual exchange activities   | 143,093           | 118,792           |
| Other programs                     | 294,775           | 270,571           |
| Building expansion                 | —                 | 282,854           |
|                                    | <u>\$ 811,041</u> | <u>\$ 856,272</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time. In 2011 and 2010, purpose restrictions were accomplished by incurring \$1,258,067 and \$6,291,392, respectively, in expenses related to statewide development, intellectual exchange activities, and other programs.

## Contributions

Contributions are recognized as revenues at fair value at the time of the contribution or unconditional pledge, net of estimated uncollectible amounts, is received. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using risk adjusted interest rates applicable to the year in which the promise is received (.20% during the year ended June 30, 2011). Amortization of the discount is included in contribution revenue.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value as of the date of the gift.

## Recognition of Funding

Funds are granted periodically from private and public agencies for specific purposes or to aid the Biotechnology Center's general operation and sustain its continued existence. Funds appropriated for specific purposes are deemed to be earned and reported as revenue when the Biotechnology Center has incurred expenditures in compliance with the grant agreement. Such amounts received, but not yet earned, are reported as deferred revenues.

The Biotechnology Center received 80% and 65% of its unrestricted revenues from the State of North Carolina in 2011 and 2010, respectively.